

Message Text

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PAGE 01 ROME 01450 281720Z

47

ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 EURE-00 SSO-00 INRE-00 NSCE-00

USIE-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07

NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 /081 W

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O R 281640Z JAN 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 5415

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EFIN, IT

SUBJ: ITALIAN EXCHANGE MARKET DEVELOPMENTS

PASS TREASURY AND FRB

1. DR. GEROVI, HEAD OF EXCHANGE OPERATIONS AT THE BANK OF ITALY, TOLD TREASATT JANUARY 28 THAT LIRA/DOLLAR FIXING IN FRANKFURT (CALCULATED THROUGH CROSS RATES) WAS 731.22 LIRE PER DOLLAR.

2. BOI CALCULATION OF DEVALUATION OF LIRA SINCE FEBRUARY
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1973 SHOWED DEPRECIATION OF ALL CURRENCIES OF 25.80

PERCENT, FOR DOLLAR 20.55 PERCENT AND FOR EC CURRENCIES
29.80 PERCENT.

3. ACCORDING TO GERONSI, SLIGHT DEPRECIATION OF THE
LIRA ON JANUARY 28 WAS ACCOMPANIED BY INCREASE IN
NUMBER OF PARTICIPANTS IN MARKET. RATE STILL NOT
"DEPENDABLE" AND BEST CHARACTERIZATION OF MARKET ATMOSPHERE
WAS "NERVOUS."

4. GOVERNMENT TREASURY BILL AUCTION HELD ON JANUARY 27
REFLECTED SUCCESS OF BOI EFFORTS TO PUSH UP SHORT-TERM
INTEREST RATES WHILE ALLOWING LONG-TERM RATES TO INCREASE
LESS. SIX-MONTH TREASURY BILLS WHICH YIELDED 8.5 PERCENT
IN NOVEMBER YIELDED 9.76 PERCENT ON JANUARY 27 UP 120
BASIS POINTS. ONE-YEAR TREASURY BILLS WHICH YIELDED
8.99 PERCENT IN NOVEMBER YIELDED 9.59 PERCENT ON JANUARY
27, UP 60 BASIS POINTS. VOLPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, FOREIGN EXCHANGE RATES, LIRA, DEVALUATION RUMORS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ROME01450
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760032-0842
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760113/aaaaaled.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by KelleyW0>; APPROVED <17 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITALIAN EXCHANGE MARKET DEVELOPMENTS PASS TREASURY AND FRB
TAGS: EFIN, IT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006